

NEWS BRIEF

Provided by: New England Employee Benefits Co., Inc.

Senate Passes \$484 Billion Coronavirus Relief Package

On Tuesday, April 21, 2020, the U.S. Senate voted on and passed the newest coronavirus aid bill, which includes funding for small businesses, hospitals and coronavirus testing.

This announcement comes almost two weeks after Treasury Secretary Steven Mnuchin said that small businesses don't need to worry about not being able to receive funding from the U.S. government in the wake of the COVID-19 pandemic.

What is included in the new bill?

The bill provides \$484 billion in total funding. Of those funds, \$320 billion would replenish the federal small business loan program, the Paycheck Protection Program, which ran out of funds last week. The Paycheck Protection Program was initially created by the Coronavirus Aid, Relief and Economic Security (CARES) Act, and was designed to get cash in the hands of suffering small businesses quickly, with less stringent eligibility requirements than the existing SBA loan programs. Paycheck Protection Program loans are designed to incentivize business owners to keep employees on their payroll.

In addition, \$60 billion would be added to the Small Business Administration's disaster relief fund. The funding would be divided to include \$50 in loans and \$10 billion in grants. Farms and other agriculture enterprises would be eligible for such funds under the new bill.

Finally, the bill includes \$75 billion in funding for hospitals and \$25 billion in COVID-19 testing.

What's next?

While the bill has passed in the Senate, it needs to pass in the House and be signed by the president to become a law. The House is expected to vote on and pass the bill later this week, and the president has indicated he will sign the bill into law.

New England Employee Benefits Co., Inc. will continue to monitor this situation and provide updates as necessary.

